



MEMORANDUM

TO: Mayor and Council Members

FROM: Rosie Truelove, Director, Housing Department *RT*
Lauren Middleton-Pratt, Director, Planning Department *LM*

DATE: May 05, 2023

SUBJECT: Summary of Methodology and Approach for Implementing Ordinance 20221201-056 Regarding Compatibility Regulations

Council approved [Ordinance No. 20221201-056](#) in December of 2022, implementing changes to compatibility and parking regulations along corridors and directing staff to complete an analysis of citywide compatibility regulations to assess the impact of current compatibility standards and potential changes to those standards, especially in high opportunity areas and to help meet Strategic Housing Blueprint goals. The ordinance also calls for an update to Council regarding the approach and methodology being used to perform the analysis at least 90 days before presenting the findings to Council.

The attached document provides background and a summary of the approach and methodology to be used by staff in the analysis of current citywide compatibility standards, which were adopted in the 1980s. Staff will work to provide findings to Mayor and Council, along with recommendations for possible modifications to compatibility regulations no later than July 15, 2023.

If you have any questions, please contact Rosie Truelove at 512-974-3064 or rosie.truelove@austintexas.gov or Lauren Middleton-Pratt at 512-974-1827 or lauren.middleton-pratt@austintexas.gov.

cc: Jesús Garza, Interim City Manager
Veronica Briseño, Assistant City Manager

Attachment

Methodology for Compatibility Regulations Analysis

Background

[Resolution 20220609-066](#), adopted by Austin City Council in June 2022, called for changes to Austin’s compatibility regulations on corridors to help address the worsening affordability crisis. The resolution states that the citywide compatibility regulations adopted in the 1980s, which limit the height of developments within 540 feet of single-family properties, were “significantly more restrictive compared to cities with similar regulations.” The resolution also states that “moderate changes to compatibility and parking regulations on corridors would increase affordable and market-rate housing supply and support the City’s transit investments.” When City Council adopted some modifications to compatibility standards along specific corridors in December 2022 through [Ordinance No. 20221201-056](#), they directed staff to develop an analysis of citywide compatibility regulations to assess the impact of current compatibility standards and identify potential changes to those standards, especially in high opportunity areas and to help meet Austin Strategic Housing Blueprint (ASHB) goals. This document specifies the approach and methodology that will be used to complete the analysis.

Quantitative Analysis

To begin the analysis, staff will measure the footprint of citywide compatibility regulations using Geographic Information Systems (GIS). This measurement will include the total area of commercial and high-density residential properties within 540 feet of single-family homes and an estimate of housing units potentially lost due to citywide compatibility regulations. To estimate impact to housing units, staff will multiply allowable building coverage by the allowable heights in the compatibility setback compared to the heights allowed by right. Staff will also estimate of the number of market rate and affordable housing units potentially gained if property owners participate in the Compatibility on Corridors [Ordinance No. 20221201-056](#). Recognizing that other regulations, such as watershed and parking requirements, limit the development potential of each lot, staff will use a limitation factor to better estimate a realistic range of potential units. The unit capacity analysis will illustrate the potential number of units lost at different compatibility distance and base zoning heights to help decision makers understand what changes to compatibility regulations result in the biggest impacts to base zoning capacity and density bonus capacity.

To respond to the request for an assessment of compatibility’s impact on the City’s ability to meet ASHB goals, staff will include an estimate of units limited by compatibility in each Council district. Staff will analyze how changes to the distance of compatibility regulations might help to meet ASHB goals, increase affordable and market-rate housing supply, and support the City’s transit investments.

Next, staff will seek to identify relationships between the location of the areas limited by compatibility and several other factors including but not limited to race/ethnicity, income, access to community amenities (city parks, public schools, grocery stores), displacement risk areas, high opportunity areas, Project Connect Equitable Transit-Oriented Development (ETOD)

station areas, and existing transit. Staff will use 2020 Census data and 2021 American Community Survey data for race/ethnicity and income as well as publicly available City data on displacement risk, high opportunity areas, community amenities, ETOD station areas, and existing transit.

Staff will use its findings to assess the degree to which compatibility may or may not be furthering Austin's goals related to equity. Since the affordability crisis has disproportionately harmed communities of color, low-income populations, renters, and other disinvested groups, special attention will be given to understanding how compatibility regulations may increase displacement pressure and promote patterns of segregation or integration.

Qualitative Analysis

In keeping with the spirit of Council's desire to better understand the way compatibility regulations might impact housing supply and affordability, staff plans to conduct a survey specifically aimed at applicants who have participated in the City's development review process to understand how compatibility regulations impact project timelines, residential unit yield, development costs, and affordability.

Recommendations

After analyzing both quantitative and qualitative data, staff will summarize key findings and recommend potential code changes to compatibility based on the findings. Staff will publish a memo detailing the findings and recommendations to Mayor and Council in July 2023.

Research Questions

Research Question	How to Measure
1. What is the impact of compatibility for the entire city of Austin?	Estimated total acreage of all potential commercial and high-density residential subject to citywide compatibility.
2. How does compatibility impact Austin's housing supply?	Estimated unit capacity lost due to compatibility at various distances.
3. What impact did the Compatibility on Corridors ordinance have on housing unit capacity?	Estimated unit capacity gained due to the Compatibility on Corridors ordinance.
4. How does compatibility impact the number of residential units allowed by Council district?	Estimated unit capacity lost due to compatibility by Council district.
5. Does compatibility disproportionately impact high opportunity areas vs. displacement risk areas?	Proportion of estimated unit capacity lost in high opportunity areas and displacement risk areas.
6. Does compatibility disproportionately impact neighborhoods by race/ethnicity and income?	Proportion of estimated unit capacity lost in census tract/block group with race/ethnicity and income above/below the median.
7. How does compatibility impact geographically specific affordable housing programs (i.e., Vertical Mixed Use)?	Estimated unit capacity lost due to compatibility on properties eligible for affordable housing bonus or incentive programs.
8. Does compatibility result in a loss of housing density near existing transit?	Estimated unit capacity lost due to compatibility near existing transit.
9. Do compatibility regulations result in loss of units near areas with multiple community amenities such as city parks, grocery stores, and public schools?	Estimated unit capacity lost due to compatibility within a ¼ mile of city parks, public schools, grocery stores.
10. How does compatibility impact the City's ability to meet its ETOD goals?	Estimated unit capacity lost near ETOD stations categorized by typology and priority.
11. How does compatibility impact the development process (e.g., project timelines, residential unit yield, development costs, and affordability)?	Qualitative assessment using feedback from housing development survey.